

## **APPENDIX J.**

### **FTA-Funded Contracts**

Caltrans administers grants to local agencies that involve Federal Transit Administration funds. Therefore, Caltrans must implement a Federal DBE Program for FTA-funded contracts. Larger transportation agencies such as BART are direct recipients of FTA funds and therefore are directly responsible for implementation of the Federal DBE Program related to these contracts.

In past implementation of the Federal DBE Program related to FTA-funded contracts, local agencies could set DBE contract goals for contracts that included meaningful subcontracting opportunities. Caltrans currently implements an all-neutral Federal DBE Program for these contracts.

BBC reviewed Disadvantaged Business Enterprise Program Reports submitted to Caltrans by local agencies for April 1 through September 30, 2006. These reports examined \$82 million in contracts using FTA funds. Most of the dollars involved in these contracts were for purchases of transportation equipment (more than 50 percent), mobility services (more than one-quarter), fuel and miscellaneous goods and services from tires to security contracts. Less than 8 percent of the contract dollars were for construction or engineering services.

BBC's availability analysis was designed to examine all transportation-related construction and engineering, and therefore is pertinent to FTA-funded construction and engineering contracts. However, most of the procurements made with FTA funds are not related to construction or engineering. The largest area of purchases, transportation vehicles, is subject to a national transit manufacturer program that encourages use of DBE suppliers in the manufacture of buses and other equipment. The second largest area of purchases, contracts with private vendors to operate bus, van and other services, is one that is characterized by very limited availability of potential vendors.

As noted previously in the body of the report, Caltrans does not maintain an effective database of potential bidders on transportation-related work that could be used to examine availability for FTA-funded contracts.

For these reasons, BBC recommends that Caltrans not apply the availability information developed for the transportation contracting information in this report when developing the overall annual DBE goal for FTA-related contracts. Caltrans should consider applying the national DBE goal for FTA-funded contracts and continue to encourage DBE participation through race- and gender-neutral means. Caltrans' future development of a comprehensive bidders list should include firms available to perform different types of work related to FTA-funded contracts.